

CDIAC – Understanding Municipal Securities Regulations Hot Topic in Disclosure

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Who is the National Federation of Municipal Analysts?

- 1,000 member organization comprised of Rating Agencies, Buy Side Analysts, Sell Side Analysts, Portfolio Managers, Bond Insurers and Lawyers.
- Focused on Education, Advocacy and Disclosure.
- www.NFMA.org

Disclosure

- NFMA Recommended Best Practices in Disclosure
 - Land Secured
 - Housing
 - Hospital
 - Private Colleges and University
 - Solid Waste
 - General Obligation and Tax Supported Debt

Disclosure – NFMA Recommended Best Practice (cont.)

- Long-Term Care/ Senior Living
- Variable Rate
- Tax Increment
- Swaps
- Airports
- Public Power
- Toll Roads
- Water and Sewer

NFMA - Disclosure for General Obligation and Tax Supported Debt

- Paper Divided between Primary and Secondary Market Disclosure
 - General Disclosure Items
 - Demographic & Economic
 - Financial Statements
 - General Revenue Base
 - Expenditures
 - Debt and Financial Obligations
 - Cash Flow Financings

How is Disclosure Changing?

- Muni Council – www.disclosureusa.org
- SEC – Disclosure and Accounting Practices in the Municipal Securities Market
 - “Steps that should be taken that would improve for investors the extent, quality and availability of Municipal issuer information.”
 - Info disclosed similar to POS
 - Edgar type system – free to all
 - Mandate GAAP accounting
 - Fund GASB
 - Corporate style disclosure for non-governmental conduit borrowers
 - Limited regulation ensuring investors receive the information they need, when they need it.

How is Disclosure Changing?

- Other Industry Group Comments
- MSRB Proposals
- NFMA's Position
 - Disclosure is not optional, it is the cost of borrowing.
 - Failure to follow current disclosure guidelines is an exception, not the rule.